

A G E N D A

UTAH BOARD OF WATER RESOURCES

Department of Natural Resources
1594 W. North Temple
Salt Lake City, Utah

September 21, 2001

8:30 a.m.

I. CALL TO ORDER

II. APPROVAL OF MINUTES - August 9 & 10, 2001

III. CHAIR'S REPORT

IV. FEASIBILITY REPORTS

COUNTY

E050 Grantsville Irr. Co.	Tooele
E055 Herriman Pipeline & Development Co.	Salt Lake

V. COMMITTAL OF FUNDS

E035 Davis & Weber Cos. Canal Co.	Weber
E056 Deseret Irr. Co.	Millard

VI. SPECIAL ITEMS

D965 Roy Water Conservancy Subdistrict (Withdrawal)	Weber
D984 Holmes Creek Irr. Co. (Withdrawal)	Davis
E007 Nordic Mountain Water, Inc. (Amendment)	Weber
L535 Koosharem Town (Withdrawal)	Sevier
L539 White City WID (Withdrawal)	Salt Lake

VII. DIRECTOR'S REPORT

VIII. NEXT BOARD MEETING - November 2, 2001 - Salt Lake City

IX. ADJOURNMENT

BRIEFING MEETING AGENDA

UTAH BOARD OF WATER RESOURCES

Jordan Valley Water Conservancy District
8215 South 1300 West
West Jordan, Utah

September 20, 2001

3:00 p.m.

- I. WELCOME
Chair Taylor

- II. DISCUSSION OF PROJECTS
Board/Staff

- III. OTHER ITEMS

BOARD OF WATER RESOURCES

Revolving Construction Fund

Funding Status

September 21, 2001

Funds Available for Projects This FY \$ 6,257,000

Projects Contracted This FY

1 Mona Irr Co	E048	\$	326,000
2 Torrey Irr Co	E054		30,000
3 Red Creek Irr Co	E038		42,500
4 Devil's Pass Water Co	D964		327,000
5 Piute Res & Irr Co (Piute Dam)	C022	Grant **	<u>220,000</u>

Total Funds Contracted	\$ 946,000
Funds Balance	<u>\$ 5,311,000</u>

Projects with Funds Committed

1 Chalk Creek Narrows Irr Co (Amend)	E019	\$	750,000
2 Parowan West Fields Irr Co	E044		15,200
3 Green River Canal Co	E046		35,000
* 4 Deseret Irr Co	E056		200,000
5 Kays Creek Irr Co (Adams Dam) Amd	C001	Grant **	4,000
Commitments for Dam Safety Studies		**	<u>201,000</u>

Total Funds Committed	\$ 1,205,000
Funds Balance	<u>\$ 4,106,000</u>

Projects Authorized

1 Beaver Bench Irr Co	D918	\$	280,000
2 Croydon Pipeline Co	D962		35,000
3 North Canyon Irr Co	D955		315,000
4 Don Anderson	E008		170,000
5 East Bench Canal Co	E032		256,000
6 Scipio Irr Co	E049		570,000
7 Marion Waterworks Co	E053		320,000
8 Deseret Irr Co	E056		520,000
* 9 Grantsville Irr Co	E050		210,000
* 10 Herriman Pipeline & Development Co	E055		<u>585,000</u>

Total Funds Authorized	\$ 3,261,000
Remaining Funds Available	<u>\$ 845,000</u>

* To be presented at Board Meeting

** Dam Safety Projects

BOARD OF WATER RESOURCES

Cities Water Loan Fund

Funding Status

September 21, 2001

Funds Available for Projects This FY	\$	1,361,000
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Projects Contracted This FY

1	\$	-
Total Bonds Closed	\$	-
Funds Balance	\$	1,361,000

Funds Committed to Projects

1 Pleasant Grove City	E003	\$	150,000
Total Funds Committed		\$	150,000
Funds Balance		\$	1,211,000

Projects Authorized

1 Hanna Water & Sewer District	D983	\$	1,146,000
2 Trenton Town	L534		1,304,000
Total Funds Authorized		\$	2,450,000
Remaining Funds Available		\$	(1,239,000)

* To be presented at Board Meeting

BOARD OF WATER RESOURCES

**Conservation & Development Fund
Funding Status**

September 21, 2001

Funds Available for Projects This FY **\$ 12,441,000**

Projects Contracted/Bonds Closed This FY

1 Nibley City	L525	\$ 173,000
2 River Heights City	L537	<u>839,000</u>

Total Funds Contracted/Closed	<u>\$ 1,012,000</u>
Funds Balance	<u>\$ 11,429,000</u>

Funds Committed to Projects

1 Holliday Water Co	D906	\$ 500,000
2 Alpine City (Bond Ins Grant)	E051	75,000
3 Tooele City (Bond Ins Grant)	E052	80,000
4 Willard City	L538	425,000
5 Weber Basin WCD (Secondary Irr, Ph I)	E029	531,000
* 6 Nordic Mountain Water, Inc. (Amend)	E007	293,000
* 7 Davis & Weber Counties Cnl Co (Ph II)	E035	<u>2,425,000</u>

Total Funds Committed	<u>\$ 4,329,000</u>
Funds Balance	<u>\$ 7,100,000</u>

Projects Authorized

1 Uintah WCD (Red Wash)	D730	\$ 1,940,000
2 Springville City (Culinary)	L522	300,000
3 Ferron Canal & Reservoir Co	D942	2,000,000
4 Strawberry High Line Canal Co	D976	3,187,000
5 Price-Wellington Control Board	D999	3,925,000
6 Kanab Irr Co	D968	62,000
7 Center Creek Culinary Water Co	E020	450,000
8 Ivins City	L533	440,000
9 Bristlecone WID	E026	935,000
10 Morgan Secondary Water Association	E031	2,635,000
11 Uintah WCD (Island Ditch)	E036	720,000
12 Summit Water Distribution Co	D776	3,000,000
13 Mountain Regional Water SSD	E040	1,675,000
14 Price City	L540	<u>3,750,000</u>

Total Funds Authorized	<u>\$ 25,019,000</u>
Remaining Funds Available	<u>\$ (17,919,000)</u>

* To be presented at Board Meeting

BOARD OF WATER RESOURCES

September 21, 2001

ADDITIONAL ACTIVE PROJECTS	Fund		Est. Board Cost	Total Cost
Authorized or Committed Projects				
1 Davis & Weber Counties Cnl Co (Ph 4)	D674	C&D	\$ 10,925,000	\$ 12,853,000
2 Carbonville Ditch Co	D887	RCF	462,000	597,000
3 Central Utah WCD (Prepay FY98,99,00)	D960	C&D	3,000,000	3,000,000
4 Washington County WCD (Ivins)	D925	C&D	1,390,000	5,100,000
5 Weber Basin WCD (Secondary Irr, Ph 2-5)	E029	C&D	28,369,000	33,375,000
6 Davis & Weber Counties Cnl Co(Cnl Rehab)	E035	C&D	18,230,000	21,447,000
Subtotal			\$ 62,376,000	\$ 76,372,000
Projects Under Investigation				
1 Downs Ditch Water Co	D899	RCF	\$ 7,500	\$ 10,000
2 Juab Lake Irr Co	D901	RCF	75,000	100,000
3 K Ranch LLC	D954	RCF	206,250	275,000
4 Hooper Irr Co	D995	RCF	93,750	125,000
5 Keith Johnson	D996	RCF	37,500	50,000
6 Billy Bethers Spring, Cul, & Domestic	E021	RCF	300,000	400,000
7 Fountain Green Irr Co	E042	RCF	285,000	380,000
* 8 Fremont Waterworks Co	E057	RCF	600,000	800,000
* 9 Wellsville-Mendon Conservation District	E058	RCF	117,750	157,000
10 Summit County Service Area #3	E045	CWL	414,750	553,000
11 Woodruff Irrigating Co	D680	C&D	600,000	800,000
12 Kane County WCD	D828	C&D	1,500,000	2,000,000
13 Richfield City	D898	C&D	450,000	600,000
14 Uintah WCD (Leota Bench)	D944	C&D	750,000	1,000,000
15 Midway Irr Co (Ph 2,3)	D949	C&D	7,275,000	9,700,000
16 Springville City (Secondary Irr)	D967	C&D	13,500,000	18,000,000
17 East Carbon City (Dam)	D969	C&D	7,500,000	10,000,000
18 Silver Spurs Water Co	D990	C&D	21,000	28,000
19 Gunnison Butte Mutual Irr Co	E004	C&D	10,500,000	14,000,000
20 Town of Altamont	E012	C&D	142,500	190,000
21 Draper Irr Co	E023	C&D	4,050,000	5,400,000
22 City of South Jordan	E034	C&D	2,253,000	3,004,000
23 Payson City (Walker Flat)	E037	C&D	7,500,000	10,000,000
24 Hyrum Blacksmith Fork Irr Co	E047	C&D	2,025,000	2,700,000
25 Town of Brian Head	L541	C&D	2,700,000	3,600,000
* 26 Loa Town	L542	C&D	450,000	600,000
Subtotal			\$ 63,354,000	\$ 84,472,000
TOTAL			\$ 125,730,000	\$ 160,844,000

* New Applications

BOARD OF WATER RESOURCES

September 21, 2001

Long Term Large Water Conservation Projects

1 Sanpete WCD (Narrows Dam)	D377
2 Wayne County WCD	D494
3 Cedar City Valley Water Users	D584
4 Bear River WCD	D738
5 Mapleton City	D886

BOARD OF WATER RESOURCES

Feasibility Report

Revolving Construction Fund

Appl. No.: **E-050**

Received: 2/21/01

Approved: 3/8/01

To be Presented at the September 21, 2001 Board Meeting

SPONSOR: **GRANTSVILLE IRRIGATION COMPANY**

President: Joe W. Peterson

LOCATION: The proposed project is located about two miles south of Grantsville in Tooele County.

EXISTING CONDITIONS & PROBLEMS: The sponsor currently serves irrigation water to approximately 3,400 acres through a reservoir and pressurized pipeline system built in the mid-1980s and funded by the board. Over the last several years the 24-inch diameter main transmission pipeline has experienced numerous ruptures, resulting in significant loss of water and watering time (sometimes up to a week long), and high repair costs. The pipe breaks have been determined to be rooted in installation problems.

PROPOSED PROJECT: The sponsor is requesting financial assistance from the board to replace the valving in one of the system's regulating stations, and install a half-mile of pipeline to replace the problem sections of main transmission pipe. The sponsor will retain an engineer to prepare plans and specifications, and desires to install the project itself.

COST ESTIMATE: The following cost estimate is based on staff's preliminary design:

<u>Item</u>	<u>Description</u>	<u>Quantity</u>	<u>Unit Price</u>	<u>Amount</u>
1.	Mobilization	LS	\$ 3,000	\$ 3,000
2.	Clearing and Grubbing	LS	1,000	1,000
3.	Regulating Sta. Valving	LS	30,000	30,000
4.	24-Inch Ductile Iron Pipe	2,640 LF	75.00	<u>198,000</u>
Construction Cost				\$232,000
Contingencies				23,000
Legal and Administrative				4,000
Design and Construction Engineering				<u>4,000</u>
TOTAL				\$263,000

COST SHARING & REPAYMENT: The recommended cost sharing and repayment are:

<u>Agency</u>	<u>Cost Sharing</u>	<u>% of Total</u>
Board of Water Resources	\$ 210,000	80%
Sponsor	<u>53,000</u>	<u>20</u>
TOTAL	\$ 263,000	100%

If the board authorizes the project, it is suggested it be purchased with annual payments of \$8,400 at 0% interest over approximately 25 years. Payments will be made concurrently with those for the reservoir and pipeline system, which run through 2036.

FINANCIAL
FEASIBILITY:

The project will reduce operation and maintenance costs on the pipe by about \$8,000 annually, so the sponsor will be able to make the recommended payment to the board.

The sponsor divides its 10,197.5 shares of stock into 1,296 "A" (lawn and garden) shares and 8,901.5 "B" (farm) shares, and assesses \$150 and \$20 per share, respectively. This provides about \$372,000 annual income.

BENEFITS: The proposed project will significantly reduce maintenance costs and time on the main transmission pipeline by replacing the problem sections of pipe, and aging valves in one of the pressure regulating stations. There will be a small water savings, and crop production will increase because irrigation will not be disrupted.

PROJECT SPONSOR: Grantsville Irrigation Company was incorporated in 1983 and is presently registered in good standing with the state Department of Commerce. It supplies 10,197.5 shares of water to 784 shareholders irrigating approximately 3,400 acres; twelve percent of the shares are used for lawn & garden watering, and the rest for farmland.

In the mid-1980s the board provided about \$9.2 million (included engineering) to the sponsor for the reservoir and pressurized irrigation system project, at an interest rate of about 4% and with a 50-year repayment period. In 1992 the board voted to reduce the interest rate to 2%, with the final payment to the board to be made in 2036. Annual payments rise from \$240,000 in 2002 to \$454,000; the current principal balance is \$8.1 million.

WATER RIGHTS & SUPPLY: The sponsor's water comes out of Grantsville Reservoir, with that water being supplied from Box Elder Creek, South Willow Creek, Mining Fork Creek, North Willow Creek, and Davenport Creek. All water rights are currently in the name of the board.

EASEMENTS: All construction will be within existing pipeline easements.

ENVIRONMENTAL: The proposed project is not expected to have any detrimental effects on the environment other than the usual dust and noise associated with construction. A small amount of sagebrush will be cleared for the pipeline.

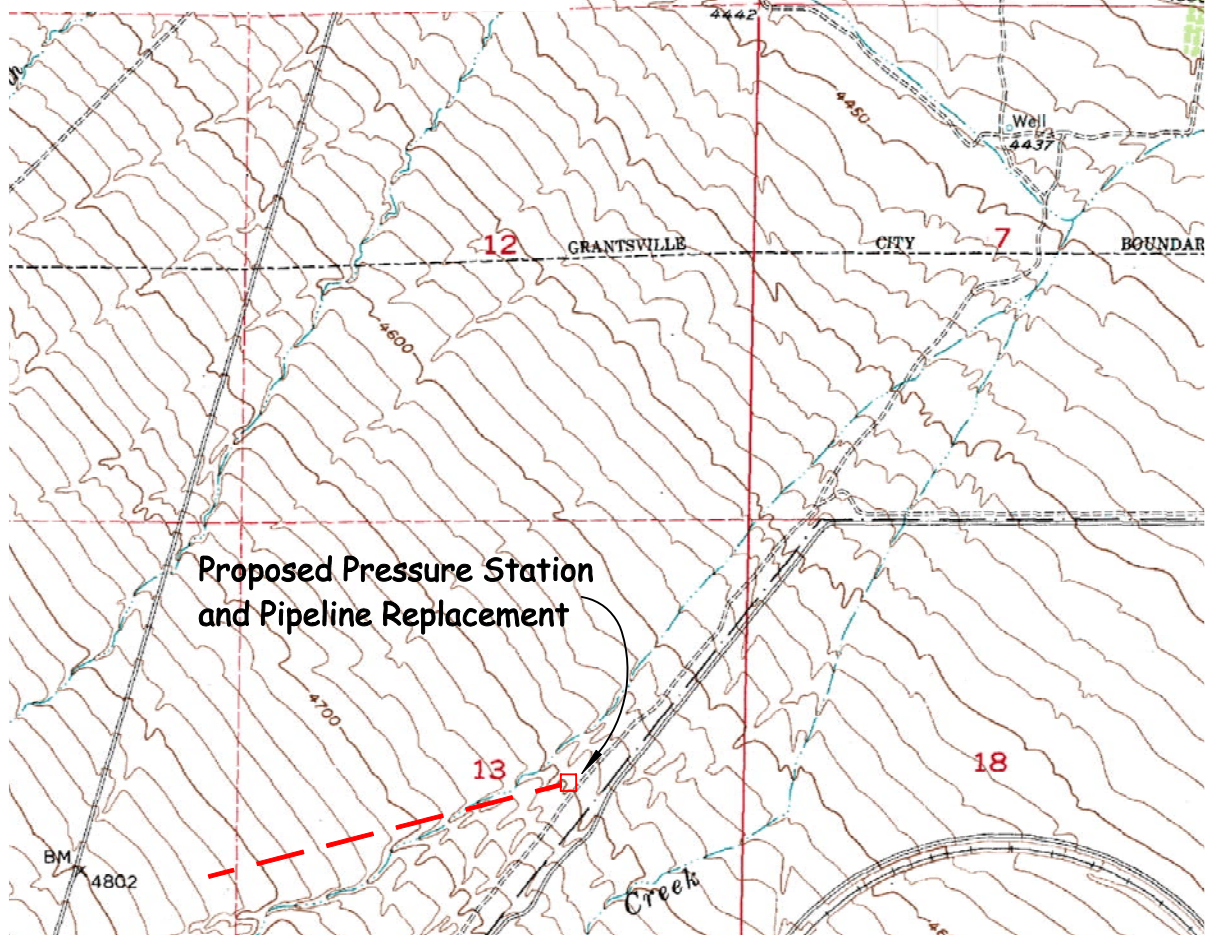
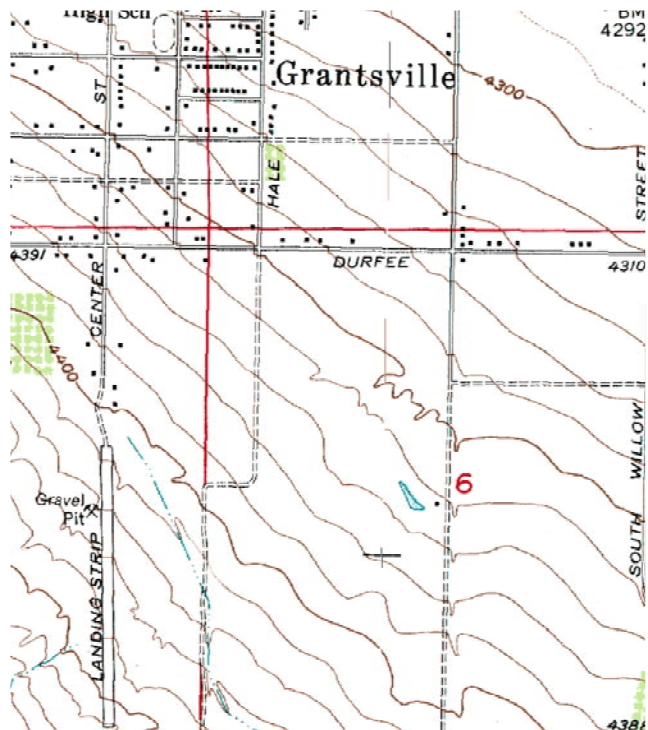
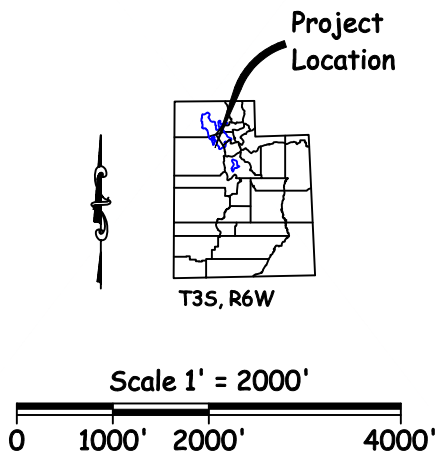
WATER CONSERVATION: The project will eliminate water loss due to transmission line breaks.

SPONSOR'S RESPONSIBILITIES: If the board authorizes the proposed project, the sponsor must do the following before construction can begin:

1. Obtain all easements, rights-of-way, and permits required to construct, operate, and maintain the project.
2. Pass a resolution by the appropriate (as defined in the company's Articles of Incorporation and Bylaws) majority of company stock authorizing its officers to do the following:
 - a. Assign properties and easements required for the project to the Board of Water Resources.
 - b. Enter into a contract with the Board of Water Resources for construction of the project and subsequent purchase from the Board.
3. Have its attorney give the Board of Water Resources a written legal opinion:
 - a. That the company is legally incorporated for at least the term of the purchase contract and is in good standing with the state Department of Commerce.
 - b. That the company has legally passed the above resolution in accordance with the requirements of state law and the company's Articles of Incorporation and Bylaws.
 - c. That the company has obtained all easements, rights-of-way, and permits required for the project and that they can be legally transferred to the Board of Water Resources.
4. Obtain approval of final plans and specifications from the Division of Water Rights.
5. Prepare a water management and conservation plan for its service area, and obtain approval of it from the Division of Water Resources.

PROJECT	President:	Joe W. Peterson
CONTACT		49 E. Durfee
PEOPLE:		Grantsville, UT 84029
		Phone: 435-884-5568
	Office Manager:	Karen Johnson
		411 S. West Street
		Grantsville, UT 84029
		Phone: 435-884-3451

**GRANTSVILLE
IRRIGATION COMPANY**
Regulation Pond
Tooele County



BOARD OF WATER RESOURCES

Feasibility Report

Revolving Construction Fund

Appl. No.: **E-055**

Received: 5/21/01

Approved: 6/8/01

To be Presented at the September 21, 2001 Board Meeting

SPONSOR: **HERRIMAN PIPELINE AND DEVELOPMENT COMPANY**

President: Lynn Egbert

LOCATION: The proposed project is located in the city of Herriman in southwestern Salt Lake County.

EXISTING CONDITIONS & PROBLEMS: The sponsor serves culinary water for indoor and outdoor use to 328 connections, or about 1/3 the population of Herriman. Water is collected from several springs in Rose Canyon, piped to a chlorination station, and then enters a 400,000 gallon storage tank. In addition to the springs, the sponsor has three culinary wells that supply the culinary system. One is adjacent to the tank and pumps directly into it, and another is southeast of the tank, adjacent to the chlorination station.

The third well, Well No. 1, was drilled in 1955 to provide both culinary and irrigation water. The well is equipped with a vertical turbine pump, and was designed to discharge 420 gpm into a small holding reservoir adjacent to the well. A booster pump received water from the holding reservoir and pumped it into a 110,000 gallon storage tank that is no longer in use. The sponsor hadn't used this tank or Well No. 1 since construction of the new, higher elevation 400,000 gallon tank in 1994; this year, however, due to dry conditions and continued growth, the sponsor has started using Well No. 1 for culinary purposes. It is using the well pump and booster pump to move 200-220 gpm (flow reduced due to worn vertical turbine pump bowls) up to the 400,000 gallon tank, which is only a temporary solution since the well pump was not designed to deliver water to elevations higher than the holding reservoir, wiring to the pumps is old and outdated, and makeshift hoses

connecting the two pumps are being used to deliver water into the upper tank.

The water system currently has an "Approved" rating from the Division of Drinking Water.

It is estimated the sponsor can provide water to an additional 320 connections with existing water sources. At current growth rates, this will occur within the next 7-8 years.

PROPOSED
PROJECT:

The sponsor is requesting financial assistance from the board to replace Well No. 1's pump, motor, and starter, and eliminate the booster pump. The new pump and motor will be sized to deliver water to the 400,000 gallon tank directly. In order to conform with Drinking Water standards, a meter, sampling tap, flushing valve, discharge pipe, ventilation, raising of the well head, and instrumentation system will be installed. The building floor will be raised, the roof removed and raised, and the floor footprint enlarged.

The sponsor is also requesting assistance to construct a million gallon concrete storage tank, next to the existing 400,000 gallon tank, to meet existing and future needs. Engineering is being done by Epic Engineering.

The project fits in Prioritization Category 2 (municipal project required to meet existing or impending need).

COST ESTIMATE: The following cost estimate is based on the engineer's preliminary design and has been reviewed by staff:

<u>Item</u>	<u>Description</u>	<u>Quantity</u>	<u>Unit Price</u>	<u>Amount</u>
WELL NO. 1				
1.	Pull Pump	LS	\$ 2,000	\$ 2,000
2.	Well Video & Cleaning	LS	5,000	5,000
3.	Pump & Motor	LS	22,000	22,000
4.	Electrical	LS	7,000	7,000
5.	Starter	LS	5,300	5,300
6.	Well Level Transducer	LS	1,000	1,000
7.	Cable	300 LF	4.00	1,200
8.	Meter	LS	1,500	1,500

9.	Fittings	LS	15,000	15,000
10.	Fan, Louvers, Control	LS	1,000	1,000
11.	Building Modification	LS	10,000	10,000
12.	Telemetry	LS	25,000	<u>25,000</u>
Subtotal				\$ 96,000
	1 MG CONCRETE TANK	LS	\$475,000	<u>\$475,000</u>
Construction Cost				\$571,000
Contingencies				57,000
Legal and Administrative				18,000
Design and Construction Engineering				<u>85,000</u>
TOTAL				\$731,000

COST SHARING & REPAYMENT: The recommended cost sharing and repayment are:

<u>Agency</u>	<u>Cost Sharing</u>	<u>% of Total</u>
Board of Water Resources	\$ 585,000	80%
Sponsor	<u>146,000</u>	<u>20</u>
TOTAL	\$ 731,000	100%

If the board authorizes the project, it is suggested it be purchased in 10 years at 0% interest with annual payments ranging from approximately \$32,000 to \$72,000.

FINANCIAL FEASIBILITY: Based on the board's water service affordability guidelines, Herriman residents could pay up to \$48.71 monthly for water. The cost of water with the proposed project, based on 425 projected connections when the first annual payment would be due, is as follows:

	<u>Annual Cost</u>	<u>Cost/Conn/Mo</u>
Operation & Maintenance	\$111,700	\$ 21.90
Existing BWRc Assistance (thru 2004)	16,300	3.20
Proposed BWRc Assistance	<u>32,000</u>	<u>6.27</u>
TOTAL	\$160,000	\$ 31.37

The sponsor currently charges \$6.50 for the first 7,000 gallons, with overage charges of \$0.91 per thousand gallons. It is planning to raise the base rate and implement a progressive overage schedule.

BENEFITS: With the project, the sponsor will have sufficient water quantity and storage capacity to serve it in dry years and as growth continues. The refurbishment and upgrading of Well No. 1 will allow it to function effectively as a culinary water source, with the ability to fully deliver water according to its right.

PROJECT SPONSOR: The sponsor was established in 1905 to provide culinary water for the community of Herriman, was incorporated in 1945, and presently consists of 640 shares of stock and 328 connections; it is registered in good standing with the state Department of Commerce. The Governor's Office of Planning and Budget predicts a 9% average annual growth rate for Herriman over the next 20 years.

The sponsor received about \$150,000 from the board in 1987-88 for a well and 400,000 gallon tank, which has been repaid. It received \$65,000 in 1993-94 for another well, which is being purchased with annual payments of \$4,300 through 2001, \$16,300 from 2002-2003, and about \$13,600 in 2004.

WATER RIGHTS: The following water rights are currently in the name of the board:

<u>Right #</u>	<u>Priority Date</u>	<u>Quantity</u>	<u>Source</u>
WUC 59-3445 Claim #22078	1851	.14 cfs (63 gpm)	Arnold Hollow, Farmer, & W.A. Crane Springs (Rose Canyon)
WUC 59-1212 App. #26728 Cert. #6022	3/5/1955	0.983 cfs (441 gpm)	Well
WUC 59-16 App. #26664 a-6027 Cert. #7580	2/11/1955	0.41 cfs (184 gpm)	Well
WUC 59-5258 App. #32933ca	8/10/1990	1.0 cfs	Well

EASEMENTS: The project will be constructed on property owned by the sponsor.

ENVIRONMENTAL: No long-term, detrimental environmental effects are expected. There will be the usual dust and noise problems associated with construction.

WATER CONSERVATION: Since the sponsor was last before the board (1993-94), it has gone from a base rate for water with no overage charge to a higher base rate with an overage charge. Now raising the base rate again, along with implementing a progressive overage schedule, will encourage conservation.

SPONSOR'S RESPONSIBILITIES: If the board authorizes the proposed project, the sponsor must do the following before construction can begin:

1. Obtain all easements, rights-of-way, and permits required to construct, operate, and maintain the project.
2. Pass a resolution by the appropriate (as defined in the company's Articles of Incorporation and Bylaws) majority of company stock authorizing its officers to do the following:
 - a. Assign properties and easements required for the project to the Board of Water Resources.
 - b. Enter into a contract with the Board of Water Resources for construction of the project and subsequent purchase from the Board.
3. Have its attorney give the Board of Water Resources a written legal opinion:
 - a. That the company is legally incorporated for at least the term of the purchase contract and is in good standing with the state Department of Commerce.
 - b. That the company has legally passed the above resolution in accordance with the requirements of state law and the company's Articles of Incorporation and Bylaws.
 - c. That the company has obtained all easements, rights-of-way, and permits required for the project and that they can be legally transferred to the Board of Water Resources.

4. Obtain approval of final plans and specifications from the Division of Water Resources and Division of Drinking Water.

5. Prepare a water management and conservation plan for its service area, and obtain approval of it from the Division of Water Resources.

PROJECT
CONTACT
PEOPLE:

President:

Lynn Egbert
356 N. Pioneer Street
Herriman, UT 84065
Phone: (801) 597-9061

Secretary:

Diane Hamilton
6513 West 13400 South
Herriman, UT 84065
Phone: (801) 254-7164

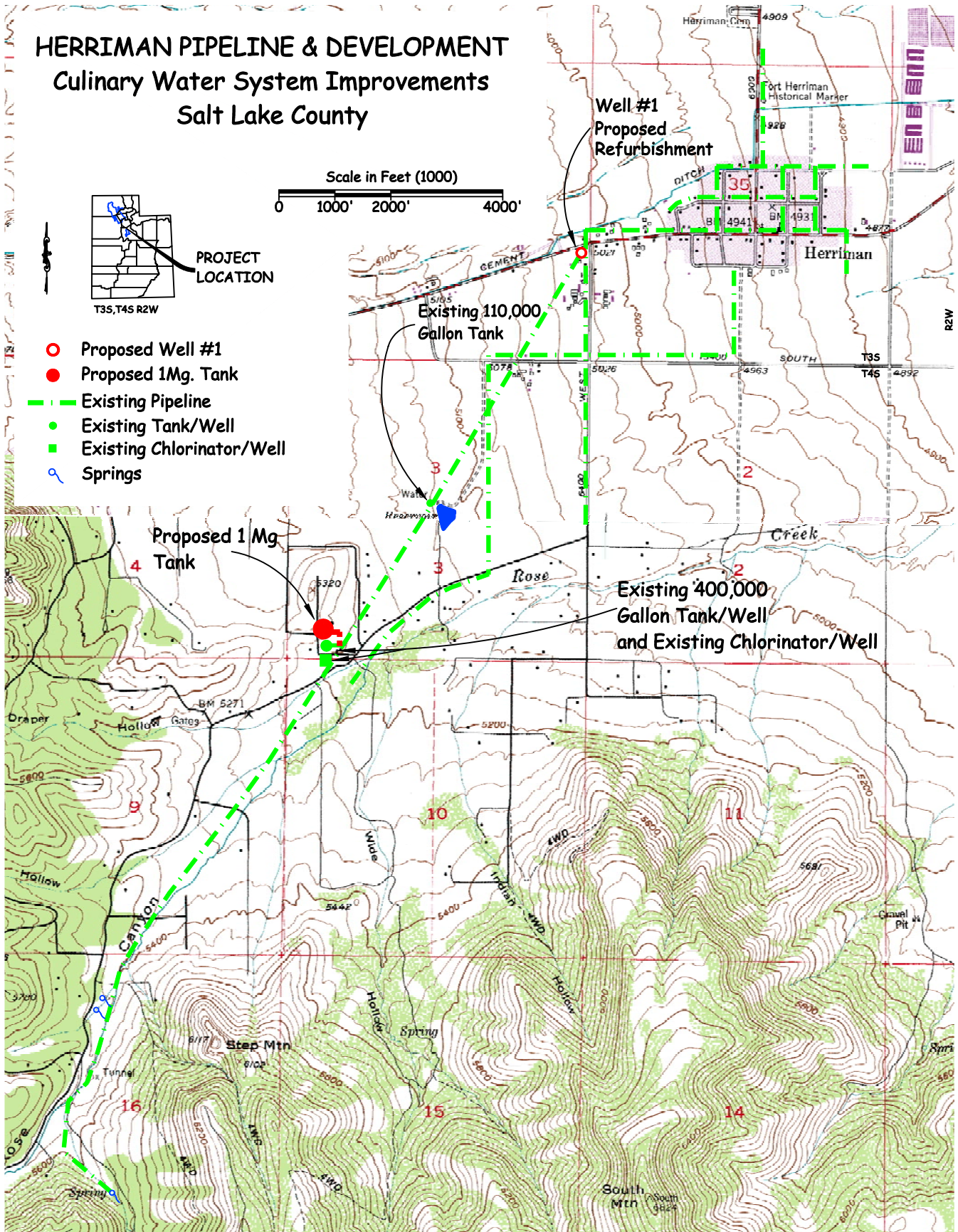
Engineer:

Don Olsen
Epic Engineering
2680 West 4700 South
Salt Lake City, UT 84118
Phone: (801) 955-5605

HERRIMAN PIPELINE & DEVELOPMENT

Culinary Water System Improvements

Salt Lake County



BOARD OF WATER RESOURCES

Committal of Funds

Conservation and Development Fund

Appl. No.: **E-035**
Received: 6/27/00
Approved: 8/4/00
Authorized: 9/22/00
Committed (Ph. I): 9/22/00

To be Presented at the September 21, 2001 Board Meeting

SPONSOR: **DAVIS AND WEBER COUNTIES CANAL COMPANY**

President: D. Pete Page
195 South 50 West
Kaysville, UT 84037
Phone: (801) 544-2168

LOCATION: The proposed project is located just south of South Weber City in Weber County.

PROJECT SUMMARY: Last September the board authorized the sponsor's \$25.5 million, long-term Davis-Weber Canal improvement project. The project (which extends from the head of the canal on the Weber River about 2½ miles east of South Weber City, to Riverdale City) consists of replacing, in phases over the next ten years or so, nearly 6½ miles of deteriorated canal liner with sections of reinforced concrete liner, 102-inch diameter pipe, three 60-inch diameter pipes, or concrete box culvert. The headworks at the diversion on the Weber River will be replaced and two wasteways improved to allow the canal to be drained in case of emergency. Telemetry will be installed to automate canal operation.

Last year approximately 2,300 feet of reinforced concrete liner was installed, along with earthwork to stabilize the adjacent hillside. The sponsor is ready to continue the improvements this year by constructing Phase II of the project, which consists of 4,000 feet of 9 x 8-foot concrete box culvert and appurtenances.

COST ESTIMATE The overall project was authorized based on 85% cost
& SHARING: sharing from the board and 15% from the canal
 company. The proposed cost estimate and sharing for
 Phase II are:

<u>Agency</u>	<u>Cost Sharing</u>	<u>% of Total</u>
Board of Water Resources	\$2,425,000	85%
Sponsor	<u>428,000</u>	<u>15</u>
TOTAL	\$2,853,000	100%

PURCHASE Authorized terms for the overall project are 30
years
AGREEMENT: and 3.6% interest. If the board commits funds to
 Phase II, it is therefore recommended the \$2,425,000
 be returned to the board in 30 years at 3.6%
 interest with annual payments of approximately
 \$133,600.

BOARD OF WATER RESOURCES

Special Item

Withdrawal

Conservation and Development Fund

Appl. No.: **D-965**
Received: 6/30/97
Approved: 8/8/97
Authorized: 12/12/97

To be Presented at the September 21, 2001 Board Meeting

SPONSOR: ***ROY WATER CONSERVANCY SUBDISTRICT***

Chairman: Carlos J. Larsen
5440 South 1700 West
P.O. Box 231
Roy, UT 84067
Phone: (801) 825-9744

LOCATION: The sponsor serves secondary lawn and garden irrigation water to areas in the western portion of Roy City in Weber County.

SUMMARY: The board authorized \$840,000 (75%) to the sponsor to help install pressurized lawn and garden irrigation systems into four existing subdivisions in the west portion of Roy City. Although the authorized terms, with a 5% interest rate, met the board's affordability guideline, the sponsor didn't feel its users would accept the resulting increase in water costs.

The sponsor has since decided it would rather fund the project on the private market in phases. Staff therefore recommends the sponsor's application be deauthorized and withdrawn from further consideration.

BOARD OF WATER RESOURCES

Special Item

Withdrawal

Conservation and Development Fund

Appl. No.: **D-984**

Received: 7/14/98

Approved: 7/17/98

To be Presented at the September 21, 2001 Board Meeting

SPONSOR: **HOLMES CREEK IRRIGATION COMPANY**

President: Kyle Anderson
671 North Main Street
Kaysville, UT 84037
Phone: (801) 544-8373

LOCATION: The proposed project was to be located in the south central portion of Layton City, and in the northern tip of Kaysville City, in Davis County.

SUMMARY: The sponsor requested financial assistance to install a pressurized sprinkle irrigation system through much of its service area. The project was presented to the board for authorization in late 1998 at staff-recommended terms of 16 years, 4.2% interest rate, and 85% board cost sharing; the sponsor requested 30 years, 3.0 % interest, and 90% board cost sharing. After a lengthy discussion with the sponsor, the board voted to postpone action on the project.

Because the sponsor has been unable to generate stockholder support for the project using board funds at staff-recommended terms (which give a cost/connection/month considerably lower than board affordability guidelines), staff recommends the sponsor's application be withdrawn from further consideration.

BOARD OF WATER RESOURCES

Special Item

Contract Amendment - Additional Funds

Conservation and Development Fund

Appl. No.: **E-007**
Received: 4/2/99
Approved: 4/30/99
Authorized: 8/6/99
Committed: 6/16/00

To be Presented at the September 21, 2001 Board Meeting

SPONSOR: **NORDIC MOUNTAIN WATER, INC.**

President: Gary Pilkington
Box 897
Eden, UT 84310
Phone: (801) 791-0143

LOCATION: The project is located ten miles southeast of Ogden, about two miles north of Pineview Reservoir in Weber County.

SUMMARY: The sponsor is in the process of completing improvements to its culinary water system including development of a new well, construction of a 500,000 gallon storage tank, installation of about 30,000 feet of transmission and distribution pipeline, and the addition of 60 fire hydrants.

Part of the project includes connecting new distribution pipeline to an existing pipeline which the sponsor thought was 6-inch diameter. It was recently discovered to be 4-inch, however, with inadequate capacity to carry required flows at acceptable pressures; this 4,900 feet of 4-inch pipe must therefore be replaced with new 6-inch along with valving, service laterals, and pavement restoration.

When the board committed funds in June, 2000, the subject came up of the sponsor's well drying up the previous year, an emergency well being installed, and the sponsor hauling water, all at a cost of \$55,000. Because all required financial information, including

repayment terms to the board if it committed the additional \$55,000, wasn't available at time of committal, the board told the sponsor it could return for a contract amendment for that amount in the future.

Finally, the sponsor requests the board cost share on a number of change orders which have increased the project's cost, including more road fill and asphaltic pavement required by the county, modifications to fire hydrant assemblies, additional pipes and valves needed to connect various system segments, modifications to a spring collection system, and additional water removal for construction.

COSTS &
COST SHARING:

The additional costs are:

<u>Item</u>	<u>Cost</u>
1. Replace 4-inch Pipe with 6-inch	\$ 208,000
2. Emergency Well and Water Hauling	55,000
3. Change Orders	<u>82,000</u>
TOTAL	\$ 345,000

The committed and proposed cost sharing are:

<u>Agency</u>	<u>Committed Cost Sharing</u>	<u>Proposed Cost Sharing</u>	<u>% of Total</u>
BWRe	\$ 1,361,000	\$ 1,654,000	85%
Sponsor	<u>240,000</u>	<u>292,000</u>	<u>15</u>
TOTAL	\$ 1,601,000	\$ 1,946,000	100%

PURCHASE
AGREEMENT:

The sponsor's current agreement with the board states the \$1,361,000 will be returned in 25 years at 4% interest with increasing annual payments; the cost/connection/month equals the board's 1999 guideline amount of \$49.30. If the board commits additional funds to the project, it is proposed the \$1,654,00 be returned in 25 years at 3.3% interest with increasing annual payments; these payments equal the board's 2001 guideline amount of \$57.25 and reflect 189 connections (180 two years ago) and 2.01% average annual growth.

The current agreement's annual payments, and those proposed are:

<u>Year</u>	<u>Current Payment</u>	<u>Proposed Payment</u>
1	\$60,000	\$54,900
2	61,000	60,900
3	63,000	66,800
4	64,000	68,600
5	66,000	70,400
6	68,000	72,100
7	70,000	73,900
8	72,000	76,300
9	74,000	78,700
10	94,000	81,000
11	95,000	95,300
12	97,000	97,700
13	99,000	117,900
14	101,000	120,200
15	103,000	122,400
16	105,000	124,600
17	107,000	126,800
18	110,000	129,700
19	112,000	132,500
20	114,000	135,300
21	116,000	138,100
22	116,000	140,900
23	116,000	143,600
24	116,000	146,300
25	125,000±	160,900±

BOARD OF WATER RESOURCES

Special Item

Withdrawal

Cities Water Loan Fund

Appl. No.: **L-535**
Received: 7/19/00
Approved: 8/4/00

To be Presented at the September 21, 2001 Board Meeting

SPONSOR: **KOOSHAREM TOWN**

Mayor: J. Lowell Moss
P.O. Box 440199
Koosharem, UT 84744
Phone: (435) 638-7415

LOCATION: The proposed project is located in and around Koosharem, about 20 miles southeast of Richfield in Sevier County.

SUMMARY: The sponsor requested financial assistance from the board to improve its culinary water system by constructing a 200,000 gallon storage tank and installing about 3,700 feet of distribution pipeline.

Since the project is being funded by other agencies, staff recommends the application be withdrawn from further consideration by the board.

BOARD OF WATER RESOURCES

Special Item

Withdrawal

Conservation and Development Fund

Appl. No.: **L-539**
Received: 2/2/01
Approved: 3/8/01
Authorized: 4/20/01

To be Presented at the September 21, 2001 Board Meeting

SPONSOR: **WHITE CITY WATER IMPROVEMENT DISTRICT**

Chairwoman: Paulina Flint
999 East Galena Drive
Sandy, UT 84094
Phone: (801) 571-3991

SUMMARY: The sponsor serves culinary water for indoor and outdoor use to 2,210 connections in White City, which is an unincorporated island surrounded by Sandy City in southeastern Salt Lake County, and 1,750 connections in Sandy.

The board authorized \$2,085,000 (75%) to the sponsor to help construct a three-phased culinary water system improvement project which includes rehabilitating/refurbishing several existing wells and tanks, drilling a new well, and installing backflow prevention devices, pressure regulating stations, and about 2½ miles of pipeline. The first phase of the project, the rehabilitation of a large production well, needed to be completed and on line to help meet the peak summer demand.

Subsequent to authorization, the sponsor decided to fund the project through the private bond market because of time restraints attached to the board's funding, and because financial terms available through the private market were comparable to the board's authorized terms of ten years and 5% interest. Staff therefore recommends the sponsor's application be deauthorized and withdrawn from further consideration.

BOARD OF WATER RESOURCES

Application Summary

Appl. No. **E-057**

Received: 8/9/01

SPONSOR: **FREMONT WATERWORKS COMPANY**

President: Dick Taylor
P.O. Box 161
13 East 100 North
Fremont, UT 84747

LOCATION: The proposed project is located in and around the community of Fremont, about four miles north of Loa in Wayne County.

PROPOSED PROJECT: The sponsor is requesting assistance to improve its culinary water system by replacing small asbestos-cement transmission and distribution pipeline, and installing fire hydrants and control valves.

WATER RIGHTS: 95-619, in the name of the board.

COST ESTIMATE: \$800,000

BOARD OF WATER RESOURCES

Application Summary

Appl. No. **E-058**

Received: 9/6/01

SPONSOR: **WELLSVILLE-MENDON CONSERVATION DISTRICT**

President: Ray Bankhead
190 East 800 South
Wellsville, UT 84339
Phone: (435) 245-3795

LOCATION: The proposed project is located about a mile east of Wellsville City, which is about ten miles southwest of Logan in Cache County.

PROPOSED PROJECT: The sponsor is requesting assistance to stop leakage from an irrigation canal by lining about 4,300 feet of it with a rubber liner.

WATER RIGHTS: The canal receives water from Hyrum Reservoir; water rights are held by the Bureau of Reclamation.

COST ESTIMATE: \$157,000

BOARD OF WATER RESOURCES

Application Summary

Appl. No. **L-542**

Received: 8/9/01

SPONSOR: **LOA TOWN**

Mayor: Ellis Brown
P.O. Box 183
Loa, UT 84747
Phone: (435) 836-2160

LOCATION: The proposed project is located in and around Loa in Wayne County.

PROPOSED PROJECT: The town is requesting assistance to improve its culinary water system by constructing a 250,000 gallon storage tank and upgrading the pipeline distribution system.

COST ESTIMATE: \$600,000

BOARD OF WATER RESOURCES

Tour of Uintah Basin August 9, 2001

Board members and selected staff members drove to Roosevelt on Wednesday, August 8, and stayed at the Frontier Motel. Everyone was given an information packet with maps as they boarded the bus at the motel on Thursday about 7:30 a.m. Board member Brad Hancock welcomed everyone to his area. The bus stopped at the Roosevelt City Office Building and picked up other people for the tour.

Randy Crozier, Manager of the Duchesne County Water Conservancy District, handed out brochures to everyone and explained the project areas around Roosevelt. He said the Board of Water Resources participated in the financing of the Martin Lateral Watershed and talked about the project as the bus passed the area. He also pointed out the Cobble Hollow project in the North Bench area. He said the crop production had gone from about two tons to the acre to about six tons on the average since the sprinklers had been installed. Mr. Crozier introduced Lee Baxter from the U.S. Bureau of Reclamation and asked him to talk about the Class "C" project that was funded through the salinity control program.

The bus stopped at Big Sand Wash and everyone got off to look at the reservoir. Mr. Crozier introduced the district's consultant, Mike Mickelson from CH2M Hill, and asked him to talk about the proposed enlargement project. Larry Anderson talked about the time frame and cost sharing for the project, which is a portion of the Central Utah Project Uinta Basin Replacement Project. After leaving Big Sand Wash, the oil wells were pointed out.

Everyone got off the bus for a break at the Crossroads Center in Roosevelt. Some of the Duchesne County people left the tour when the bus left Roosevelt enroute to Vernal. Scott Ruppe, Manager of the Uintah Water Conservancy District (UWCD), asked everyone to look at the map of the Uinta River Projects in their information packet. He said the project was being funded by the Colorado River Salinity Control Forum. He pointed out the West Side Combined Canal project that combines eight individual canals into a single pressurized distribution system. The Uinta River Diversion Structure was completed in the spring and the lining of a portion of the Ouray Park Canal is under construction. He said everyone is trying to work together for a common objective. The bus stopped at a point where we could see the Cottonwood Reservoir in the distance. Director Anderson said the Cottonwood Reservoir was funded by the Ouray Park Irrigation Company and the Board of Water Resources, and Governor Matheson attended the dedication ceremony along with the Board members. The site for the proposed East Cottonwood Reservoir project was pointed out. Mr. Ruppe said the reservoir would provide additional storage of about 5500 acre-feet of water.

Mr. Ruppe talked about the Green River Pumping project, which involves pumping about 35,000 acre-feet of water out of the Green River annually. The UWCD applied to the Board of Water Resources for 8400 acre-feet of Green River water rights to be used on the Leota Bench project; they also applied for an additional 45,000 acre-feet to be used on the Green River

Pumping project. While the bus stopped by Pelican Lake, Jay Franson, consultant to the UWCD, pointed out the Duchesne River, which flows to the Green River. He talked about the Green River Pumping project and pointed out the area.

The bus turned around at Randlette, which is an Indian community. Mr. Ruppe talked about the history of the Indian tribes trust lands. On the way to Vernal, everyone watched a video of a Take-Two program with Larry Anderson and Zach Frankle regarding water. The group stopped at Niki's Restaurant for lunch.

Mr. Ruppe talked about the Ashley Valley Projects while the bus drove past the project lands. The bus stopped in front of the Ashley Valley Water Purification Plant while Mr. Ruppe described the system. He also pointed out water projects as the bus drove through the Vernal area. The bus drove by Steinaker Reservoir after stopping at the UWCD offices to drop off some of the people.

While the bus was enroute to Roosevelt, Lloyd Austin referred to an article in the information packet he had written in 1995 regarding the White River Dam. He also referred to the list of projects constructed in the Uintah Basin that were funded by the Board of Water Resources.

The tour ended about 3:00 p.m. when the bus arrived in Roosevelt.

Board of Water Resources

Tour of Uintah Basin
August 9, 2001

Tour Attendees

Board Members

Lucille Taylor
Warren Peterson
Harold and Diane Shirley
Paul Riley
Ivan and Marlene Flint
Brad Hancock

Division Staff

Larry Anderson
Dennis Strong
Lloyd Austin
Nancy Fullmer
Randy Staker
Geralee Murdock
Paul Keil
Milo Barney
Steve Wilde

Visitors

Sherm and Marsha Hoskins, Dep. Dir., DNR
Randy Crozier, DCWCD Manager
Keith Mortenson, DCWCD Chair
Lee Baxter, USBR
Russ Hilman, Rep. Chris Cannon's Office
Larry Ross, Former BWR Member
Scott Ruppe, UWCD Manager
Vern Richens, UWCD Vice Chair
John Hunting, UWCD
Jay Franson, UWCD Consultant
Don Winterton, Martin Lateral
Mike Mickelson, CH2M Hill

Unapproved
MINUTES

BOARD OF WATER RESOURCES
BRIEFING MEETING

August 9, 2001

Crossroads Center
50 East 200 South
Roosevelt, Utah

BOARD OF WATER RESOURCES

Briefing Meeting
August 9, 2001

The Board of Water Resources met in a Briefing Session on August 9, 2001 at 3:30 p.m. at the Crossroads Center in Roosevelt, Utah.

The following people were in attendance:

BOARD MEMBERS

Lucille Taylor
Warren Peterson
Paul Riley
Harold Shirley
Bill Marcovecchio
Ivan Flint
Brad Hancock

Not Present
Cleal Bradford

STAFF MEMBERS

D. Larry Anderson, Director
Dennis Strong, Deputy Director
Lloyd Austin, Assistant Director
Steve Wilde, Chief, Investigations
Nancy Fullmer, Administrative Secretary
Milo Barney, CUP Liaison
Paul Keil, Water Resources Planner

VISITORS

Sherm Hoskins, Deputy Director, Department of Natural Resources

Chair Lucille Taylor called the briefing meeting to order and welcomed everyone. She expressed her thanks to everyone who was involved with the tour earlier in the day. Larry Anderson thanked Paul Keil and Lloyd Austin for compiling the informative tour brochure.

DISCUSSION OF PROJECTS

Steve Wilde explained the request from Marion Waterworks Company was tabled at the last meeting. Board member Ivan Flint and staff met with the company to gather more information. Staff revised the financial feasibility portion of the feasibility report to include the company's improvement fund that is used for making repairs to the water system on a pay-as-they-go basis. Director Anderson expressed his concerns about not knowing if the company raises its water rates and maintains the improvement fund. Ivan Flint said he told the company they need to be honest with the Board.

Warren Peterson said he thinks each community should have a repair and replacement fund. He suggested the Board should consider adopting a policy requiring sponsors to maintain some type of improvement fund.

Mr. Peterson said he would declare a conflict of interest on the Deseret Irrigation Company project. He explained the company's water system and its proposed project and pointed out the area on the map. He said it would be completed in about six phases. Steve Wilde said the company is currently paying \$82,000 annually to the Board for previous projects and requested that same amount for the proposed project. Staff suggested an annual repayment of \$87,000.

The Board and staff had considerable discussion about the Chalk Creek Narrows Irrigation Company project and the fact they are asking 100 percent funding from the Board for the additional costs of the project. The sponsor also requested extending the number of years. Staff said historically the Board has not allowed over 25 years to repay loans from the Revolving Construction Fund at zero percent interest.

Steve Wilde said the Price City project was presented at the June Board meeting, and the Board tabled the project because the city requested a better deal. Mr. Wilde reviewed the proposed project, and said the cost-sharing portion of the report was changed. Board member Cleal Bradford felt the city should receive a loan in the amount of \$3,750,000 at 1.5% interest from the Board rather than an interest buydown arrangement. The city would like a longer repayment period. Mr. Wilde said Price City also requested funding from the Community Impact Board, and Mr. Bradford attended the meeting and will report on the action at the Board meeting.

OTHER ITEMS

Director Anderson said staff has made arrangements for the Board to tour the Jordan Valley Water Conservancy District gardens on Thursday, September 20, and hold the briefing meeting in the district's conference room that afternoon. He suggested the Board members could meet earlier that day and hold a retreat to discuss policies and guidelines and other items of interest to the Board. The Board meeting will be held on Friday at 8:30 a.m. at the Department of Natural Resources Building. The Board members indicated they would like to hold a retreat. Chair Taylor suggested talking about the drought and how the Board can be proactive. Director Anderson said staff would send the comprehensive handbooks prior to the retreat.

Mr. Anderson said the Governor's office is planning to hold a public relations event on Saturday to talk about the drought and water conservation. Director Anderson talked about a water supply committee meeting he held in July. Saving water for next year should be a top priority.

Chair Taylor mentioned a breakfast meeting she and Larry Anderson attended at the Governor's mansion with other chairs and directors from each of the divisions within the Department of Natural Resources. The Governor asked each of them to tell him their top priorities. Ms. Taylor said water conservation, not having enough water or enough money.

The briefing meeting adjourned about 5:00 p.m.

Unapproved
MINUTES
BOARD OF WATER RESOURCES MEETING
August 10, 2001

Crossroads Center
50 East 200 South
Roosevelt, Utah

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SUMMARY OF BOARD ACTIONS

1. The Minutes of the June 7, and 8, 2001 Board meetings were approved as prepared. page 1
2. The Board authorized the Marion Waterworks Company project in the amount of \$320,000 (80%) to be purchased with annual payments of \$15,000 at 0% interest over approximately 22 years. page 1
3. The Deseret Irrigation Company project was authorized in the amount of \$720,000 (80%) to be repaid in 12 years at 0% interest with escalated annual payments. page 2
4. The Charleston Water Conservancy District project was withdrawn from further consideration by the Board. page 3
5. The contract for the Chalk Creek Narrows Irrigation Company project was amended and additional funds were committed to the project. The \$750,000 (38.5%) is to be returned in 25 years at 0% interest with annual payments of approximately \$30,000. page 3
6. The Board authorized the Price City project in the amount of \$3.75 million (38%) to be repaid in equal payments over a 25-year period at 1.5% interest. page 4

THOSE PRESENT

The Utah BOARD OF WATER RESOURCES met in regular session on Friday, August 10, 2001 at the Crossroads Center, 50 East 200 South, Roosevelt, Utah. Chair Lucille Taylor presided over the 10:00 a.m. meeting.

BOARD MEMBERS PRESENT:

Lucille Taylor
Warren Peterson
Cleal Bradford
Harold Shirley
Brad Hancock
Ivan Flint
Bill Marcovecchio
Paul Riley

STAFF MEMBERS PRESENT:

D. Larry Anderson, Director
Dennis Strong, Deputy Director
Lloyd Austin, Asst. Director
Nancy Fullmer, Administrative Secretary
Randy Staker, Accountant
Steve Wilde, Chief, Investigations
Geralee Murdock, Executive Secretary

OTHERS PRESENT:

Sherm Hoskins, Deputy Director, Department of Natural Resources

Marve Mitchell, President, Marion Waterworks Company

Jerry Skeem, President, Deseret Irrigation Co.
Dean Anderson, Secretary, Deseret Irrigation Co.

David Wright, President, Chalk Creek Narrows Irrigation Co.
Doug Moore, Board Member, Chalk Creek Narrows Irrigation Co.

Stephen Denison, City Council, Price City
Gary Sonntag, City Engineer, Price Municipal Corporation
Pat Larsen, Finance Director, Price City
Ben Grimes, Price City

MINUTES
BOARD OF WATER RESOURCES MEETING
August 10, 2001

Chair Taylor welcomed everyone to the meeting.

APPROVAL OF MINUTES

Warren Peterson made the motion, seconded by Paul Riley to approve the minutes of the June 8, 2001 meetings as prepared. The Board agreed unanimously.

CHAIR'S REPORT

Chair Taylor reported on a meeting she attended with Director Anderson, other division directors and the Governor. The Governor is trying to initiate a cooperative effort among the various divisions of the Department of Natural Resources. All the chairs and all the directors explained the problems they were facing in their respective areas. Vice-chair Warren Peterson said in honor of the two new board members (Brad Hancock and Ivan Flint) he wanted to share a tidbit his sister-in-law sent him by e-mail, "Everybody looks normal until you get to know them."

FEASIBILITY REPORTS

#E053 Marion Waterworks Company

Chair Taylor introduced Marve Mitchell. Steve Wilde reported the company is requesting technical and financial assistance to construct a 300,000 gallon concrete storage tank and tie it into the culinary system, add chlorination facilities, upsize the small pipe portion of the distribution system, and add fire hydrants. Division staff will provide design and construction engineering services. The project is estimated to cost \$400,000.

In the June board meeting the project was tabled as the company didn't feel the proposed repayment terms suggested by staff would be acceptable to its users. Board member, Ivan Flint had the disadvantage of not really being up to speed on the project. Since that time staff, Mr. Flint, Mr. Mitchell, Mr. Powell, secretary; and their system operator met and staff obtained more detailed company operating expense data which has resulted in some adjustments to the cost sharing and repayment section of the report in the board folder. In the June 8 Board report staff, was unaware of the company's "Improvement Fund", which they intend to keep as an on-going cost. This has been included in the current board report.

Ivan Flint said he had become a lot more familiar with this project since the last Board meeting and made the motion to authorize the Marion Waterworks Company project in the amount of \$320,000 (80%) to be purchased with annual payments of \$15,000 at 0% interest over approximately 22 years. Cleal Bradford seconded the motion and the Board agreed.

Director Anderson asked to be excused as he was called to return to Salt Lake City to prepare for a meeting with the Governor on Saturday. Warren Peterson asked Director Anderson to comment about the draft legislation for Hyrum Dam. Mr. Anderson replied the water users in the Bear Lake area did approach Congressman Hansen who is looking at helping the bird refuge with legislation to raise Hyrum Dam. After a meeting with the water users and Congressman Hansen, the legislation was modified to also authorize a feasibility investigation of a proposed Washakie Dam site. The legislation will be a rider to a large water bill being put together back in Washington D.C.

#E056 Deseret Irrigation Company

Lucille Taylor introduced Jerry Skeem, president; and Dean Anderson, secretary. Warren Peterson informed the Board he had a conflict of interest and would not be participating in the discussion of the project.

Steve Wilde reported the company supplies water to about 22,000 acres of flood irrigated farmland south and west of Delta through a system of canals and ditches about 60 miles long. Through the years the company has lined a number of its canals with concrete and plastic to decrease seepage and increase system efficiency and ease of operation. The company is therefore, requesting financial assistance to line about 9,500 feet of the Old Deseret Canal with concrete, and replace approximately 12,000 feet of the South Hinckley Canal with 36-inch pipeline. The company is anticipating the entire project will be broken into phases and will take four to six years to complete. Staff is suggesting funds for each phase be committed separately. The NRCS in Richfield will be providing technical assistance. The project is estimated to cost \$900,000.

Deseret has received financial assistance from the Board, both individually and jointly with other companies, several times in the past for various projects, and is currently making annual payments totaling about \$82,000 for five different projects.

Board member Hancock asked about the aluminized steel pipe. Mr. Skeem said since the feasibility report was prepared the company has decided to construct the system with 36" black plastic pipe; it can hold more water and get more water down the pipe for the same price. Harold Shirley made the motion to authorize the Deseret Irrigation Company project for \$720,000 (80%) to be repaid in 12 years at 0% interest with escalated annual payments. Bill Marcovecchio seconded the motion and the Board agreed. Warren Peterson abstained from voting.

SPECIAL ITEMS

#D974 Charleston Water Conservancy District

The Board authorized \$1.093 million to help improve the district's culinary water system. Subsequent to authorization, the district obtained a grant from the Salt Lake Olympic Committee to build a 500,000 gallon tank and a grant from the Environmental Protection Agency to make

improvements to the district's sanitary sewer system. Because the district is not planning to make further culinary system improvements, staff recommends the district's application be removed.

Warren Peterson made the motion to withdraw the Charleston Water Conservancy District project from further consideration by the Board. Ivan Flint seconded the motion and the Board agreed.

#E019 Chalk Creek Narrows Irrigation Company

Chair Taylor introduced Doug Moore and David Wright. Steve Wilde reported the company is preparing to combine the systems of several ditch companies under one gravity pressurized, piped system that will serve 900 agricultural acres. The combined system will also carry water to Coalville City's pressurized secondary irrigation system which is currently under construction and being funded by the Board.

After the Board committed funds last August, the project design was revised and pipe sizes and footages adjusted; when construction bids were opened they were significantly higher than anticipated. The company is requesting an additional \$254,000 from the Board.

Mr. Moore said when the lowest bid came in it was \$500,000 short. The company decided to make a few changes and put a lot more sweat equity towards the project so they wouldn't have to borrow quite as much money. Mr. Wright said the project is important to the success of the Coalville City project; it is unprecedented that the seven different ditch companies would work together.

Ivan Flint made the motion to amend the Chalk Creek Narrows Irrigation Company contract and commit additional funds to the project. The \$750,000 (38.5%) is to be returned in 25 years at 0% interest with annual payments of approximately \$30,000. Paul Riley seconded the motion, and after considerable discussion the Board agreed.

FEASIBILITY REPORT

#L540 Price City

Chair Taylor introduced Stephen Denison, Gary Sonntag, Pat Larsen and Ben Grimes. Steve Wilde reported Price City was at the June Board meeting and after considerable discussion the Board tabled the project until the August meeting.

Price City is requesting financial assistance to replace the 12 and 16-inch transmission pipeline from the treatment plant to the distribution network in town with a 20-inch high pressure pipeline. The estimated cost of the project is \$10 million. Hansen, Allen and Luce is providing technical assistance.

Mr. Wilde stated the Drinking Water Board loan of \$2.475 million and grant of \$275,000 remains the same. The city's \$1 million portion also remains the same. The Community Impact Board met on Thursday and a \$2.5 million loan was authorized at 2.5% on half of the money and 0% on half of the money.

In June, staff recommended the Board participate in an interest-rate buydown arrangement with the city, however the city said it wanted a greater loan participation with the Board and the project was tabled. Staff is now recommending the Board not participate in an interest-rate buydown and suggesting the Board participate in a \$3.75 million loan to be repaid in 25 years at 1.5% interest with escalating repayments including reserves.

Lucille Taylor asked what "including reserves" referred to. Steve Wilde said whenever the Board is purchasing a bond from a water user group entity the bond attorneys require the borrower establish a fund equal to one annual payment. The Board will normally give the water group between 6-10 years to establish it. When the recommendation says "includes reserves" the payment shown includes the amount of money that has to be built in is equal to one annual payment.

Mr. Denison said he visited with Gina Hirst on the telephone on Thursday about the payment range of \$100,000 to \$500,000. The city would prefer a straight amortization which would be around \$180,000 annually rather than have a half million dollar payment at some point. Steve Wilde said that wouldn't include reserves. Mr. Denison said the city would perhaps pay the reserve amount upfront. Staff said the details could be worked out at the time of committal of funds.

Board member Cleal Bradford complimented the city on the effort they had made on the project. They trimmed a \$15 million project down to \$10 million based on the fact it is needed. Mr. Bradford made the motion to authorize the Price City project in the amount of \$3.75 million (38%) to be repaid in equal payments over a 25-year period at 1.5% interest. Bill Marcovecchio seconded the motion. After discussion, the Board agreed unanimously.

DIRECTOR'S REPORT

Deputy Director, Dennis Strong recommended the Board review the Drought Review and Reporting Committee information. He also told the Board he'd be glad to answer any questions they had on the dredging at Bear Lake or any other issues.

NEXT BOARD MEETING

Chair Taylor informed the Board the next Board meeting will be Friday, September 21 at 8:30 a.m. in the Department of Natural Resources auditorium. On Thursday, September 20, the Board will have a retreat in the morning at the Jordan Valley Water Conservancy District offices with a briefing meeting in the afternoon.

Meeting adjourned at 9:50 a.m.

BOARD OF WATER RESOURCES

Tour of Bear River Bird Refuge

June 7, 2001

Several staff and Board members met at the Department of Natural Resources building and drove in vans to the Cotton Tree Inn in North Salt Lake to meet other staff and Board members. The group left at 7:30 a.m. and traveled to the Bear River Bird Refuge Office in Brigham City.

Al Trout, manager of the bird refuge, gave a history of the refuge, reviewed what the group would see on the tour and pointed out the area on a map. He said the refuge is located at the mouth of the Bear River, and 1.2 million acre-feet of Bear River water is delivered to it annually. He talked about the floods in the 1980's that destroyed most of the ponds and buildings at the refuge. He explained some of their current problems and said they need more late summer water. They are currently subdividing the large refuge units to make smaller units that are more manageable. The refuge receives an abundance of water in the spring, but in the summer the river flows decrease and about $\frac{3}{4}$ of the marshes at the refuge dry up. They want to better utilize the excess spring flows by building a storage project to store some of the water, and then release it in the summer when the flows are low.

Everyone drove around the refuge in a van and rode on an airboat through the delta. Due to this year's drought conditions, the current water supply was similar to what would be expected in August. Several of the pond units were dry and/or drying up.

The group returned to Brigham City for lunch that was provided by the Bear River Water Conservancy District. Prior to eating lunch, Director Larry Anderson explained Hugh Thompson would no longer be attending the Board meetings since Sherm Hoskins has been assigned as the Deputy Director over Water Resources. The Board and Director expressed their appreciation for Mr. Thompson. Director Anderson thanked Al Trout and his staff for the tour of the Bear River Bird Refuge.

Mr. Anderson talked about the controversy between the state and federal government surrounding the ownership of the land the bird refuge is located on. Kathleen Clarke, the Department Executive Director, has held discussions with several agencies to resolve the issue of ownership of the land. Ms. Clarke is working with Congressman Hansen to try and get the problem corrected through federal legislation that will give the state of Utah \$10 million and give full ownership of the land to the U.S. Fish and Wildlife Service. Mr. Anderson said the state of Utah is supportive of the bird refuge and wants it to be successful. He talked about the proposal by the U.S. Fish and Wildlife Service to raise Hyrum Dam in order to get more late season water for the bird refuge. The Service usually does not support the development of water storage reservoirs.

Before everyone ate lunch, Mr. Anderson introduced Jim Christensen, manager of the Bear River Water Conservancy District, who asked everyone to introduce themselves. Mr. Christensen said he used to be the Assistant Director at the Division of Water Resources, and he was Mr. Anderson's boss in the 1970's. Mike Dunn, the director of Congressman Jim Hansen's Utah office, said Congressman Hansen is excited to move forward on a way to get more water for the bird refuge. After all of the introductions, Chair Lucille Taylor thanked the conservancy district for providing lunch and also thanked the Bear River Bird Refuge staff for providing an informative tour.

After lunch, Mr. Christensen showed a map of the afternoon tour and overheads of the proposed Washakie Dam and Reservoir site and pipeline project being proposed by the Bear River Water Conservancy District. He gave everyone a handout of the proposed project and referred to a news article about a group of Indians in the area.

The group left the district office and drove to the Washakie dam and reservoir site. After stopping at Brigham City to drop people off, the vans returned to North Salt Lake and arrived at the motel about 4:30 p.m. The Board members and selected staff attended a dinner that evening in Bountiful honoring the retiring Board members, Larry Ross and Dr. M. Karlynn Hinman.

Tour Attendees

Board Members

Lucille and Richard Taylor
Warren Peterson
Cleal Bradford
Harold and Diane Shirley
Paul and Dorothy Riley
Ivan Flint
Brad Hancock

Division Staff

Larry Anderson
Dennis Strong
Lloyd Austin
Nancy Fullmer
Randy Staker
Norm Stauffer
Ken Short
Gina Hansen
Ron King

Visitors

Hugh Thompson

Approved
MINUTES

BOARD OF WATER RESOURCES
BRIEFING MEETING

June 8, 2001

Room 314
Division of Water Resources
1594 West North Temple
Salt Lake City, UT

BOARD OF WATER RESOURCES

Briefing Meeting
June 8, 2001

The Board of Water Resources met in a Briefing Session on June 8, 2001 at 8:00 a.m. in Room 314 at the Utah Division of Water Resources, 1594 West North Temple, Salt Lake City, Utah.

The following people were in attendance:

BOARD MEMBERS

Lucille Taylor
Warren Peterson
Paul Riley
Harold Shirley
Cleal Bradford
Bill Marcovecchio
Ivan Flint
Brad Hancock

STAFF MEMBERS

D. Larry Anderson, Director
Dennis Strong, Deputy Director
Lloyd Austin, Assistant Director
Steve Wilde, Chief, Investigations
Nancy Fullmer, Administrative Secretary
Eric Millis, Chief, River Basin Planning

Chair Lucille Taylor called the briefing meeting to order and welcomed everyone. She extended a special welcome to the new Board members, Ivan Flint and Brad Hancock. She told them the Board of Water Resources is a good board and the staff is superb.

Ivan Flint said he was extremely pleased when the Governor asked him to be on the Board of Water Resources. He received a note from past Board member Wayne Winegar telling him one of the most enjoyable things he did was serving on the Board of Water Resources. Brad Hancock said he is humbled by the opportunity to serve and he knows he has some big shoes to fill.

DISCUSSION OF PROJECTS

Chair Taylor said the Board member representing the area usually gives a brief perspective of the projects listed on the Board meeting agenda. Steve Wilde said when an application comes into the office, he assigns it to an engineer to investigate. The Board member representing the area is usually invited to visit the site with the staff engineer discussing the investigation.

Mr. Wilde said the Marion Waterworks Company's proposed project was caught in the transition and Karlynn Hinman was familiar with it rather than Ivan Flint. Dennis Strong said the company is asking for a different repayment term than the staff recommended. There was a lengthy discussion about the water users current water rates and the water service affordability guidelines.

The Board members discussed the feasibility report for Price City and the terms of the interest buydown arrangement. The Board wants its money used last.

Director Anderson said if there is no change from authorization of a project to the time funds are committed, the sponsor is not required to attend the Board meeting; and the funds are generally committed. The committal of funds for Green River Canal Company and River Heights City are the same terms as authorized. Mr. Wilde said staff has received about a dozen letters from citizens opposing the River Heights City project and having their water rates increased. They may attend the Board meeting to express their concerns. The Board members wanted to know what percentage of the residents responded to the notices. The twelve citizens opposing the project could be insignificant compared to the residents in favor of the project.

The Board discussed the special request from Torrey Irrigation Company for authorization and committal of funds for an emergency project to replace a leaking pipeline and a concrete headwall and to repair a canal failure. Warren Peterson explained the operation of the company's water system and the emergency repairs to the system. The company cannot pay the contractor for the emergency work he completed and is requesting funds be committed at this time. Steve Wilde said the sponsor is requesting different payment terms than staff recommended. Mr. Peterson expressed his appreciation to Russell Hadley for expediting the investigation of the project and quickly writing the report.

Bill Marcovecchio asked which staff member wrote the special report for the Draper Irrigation Company. He said the General Manager is Bruce Cuppett not Michael Bevans as written. Mr. Marcovecchio said he would probably declare a conflict of interest. Director Anderson said Boyd Phillips has worked closely with the Attorney General's office, and they do not see any problems with the request to exchange the water rights if the conditions specified in the report are completed. Staff will make sure the Board's security is in place and proper before the water rights are exchanged.

PLANNING

Lloyd Austin said the latest State Water Plan report, "Utah's Water Resources Planning for the Future" has been sent to the printer to publish 1500 copies. He complimented Todd Stonely and Eric Millis for their work on the report.

Mr. Austin also said another milestone for the planning staff was the completion of the last basin report, "West Desert Basin". He thanked Eric Millis for his efforts in completing all of the basin plans and finishing the work started by Eugene Bigler and Paul Gillette. Mr. Millis handed out copies of the West Desert Basin Report and thanked the Board members for their help in reviewing the document.

Mr. Millis said staff has started work on the Bear River Basin Plan Update and Weber Basin Plan Update. They will also begin the update of the St. George-Cedar City report.

The Board members praised staff for their work on the State Water Plan report and the basin plans.

OTHER ITEMS

Director Anderson talked about a meeting that was held at the division a week ago with Congressman Hansen, state and federal agencies and water users to discuss the proposal to enlarge Hyrum Dam to provide water for the Bear River Bird Refuge. After Mr. Anderson gave a background of the Bear River development project, he asked Ivan Flint to make comments about the meeting. Mr. Flint said the water users were opposed to the project if it only benefited the bird refuge. They would like a larger project that would benefit everyone or get written support for an additional project. He also said there was a concern about the quality of the water. Congressman Hansen said the group would need to make a decision if they wanted him to request funds this year since funding is needed for other projects. Mr. Anderson said another meeting was scheduled for the water users to meet to discuss their concerns and try to find a solution.

Warren Peterson suggested several changes to the minutes of the previous meetings. Chair Taylor thanked Mr. Peterson for reading the minutes so carefully.

The Briefing Meeting ended at 9:45 a.m.

Approved
MINUTES
BOARD OF WATER RESOURCES MEETING
June 8, 2001

Auditorium
Department of Natural Resources Building
1594 West North Temple
Salt Lake City, Utah

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SUMMARY OF BOARD ACTIONS

1. The Minutes of the April 20, 2001 Board meetings were approved as prepared. page 1
2. The Board authorized the Scipio Irrigation Company project in the amount of \$570,000 (80%) to be purchased at 0% interest over approximately 14 years with annual payments of \$10,000 the first year, \$20,000 the second, and \$46,700 thereafter. page 2
3. The Marion Waterworks Company project was tabled until the August 10, 2001 Board meeting. page 3
4. The Price City project was tabled until the August 10, 2001 Board meeting. page 3
5. The Board committed funds to the Green River Canal Company in the amount of \$35,000 (100%) to be purchased at 0% interest with annual payments of \$3,200 over approximately 11 years. page 4
6. Funds were committed to the River Heights City in the amount of \$839,000 (80%) to be repaid at 5% interest over 17 years with annual payments ranging from approximately \$77,600 to \$83,300. page 4
7. The Pintura Irrigation Company and Piute Reservoir and Irrigation Company projects were removed from further consideration by the Board. page 4
8. The Board authorized and committed funds to the Torrey Irrigation Company in the amount of \$30,000 (83%) to be purchased with annual payments of \$3,000 at 0% interest over approximately 10 years. page 5
9. The water rights exchange between Draper Irrigation Company and John Jacob was approved with the following conditions: 1) Draper's legal counsel provides the Board with a written opinion confirming ownership, clear title, good standing and transferability of the water rights to be assigned to the Board; 2) the Board's counsel must concur the transfer of documents and water rights title are adequate and; 3) the exchange must be accomplished through a simultaneous closing so as to not interrupt the Board's secured position. It must be with the involvement and approval of the Board's counsel. page 5

THOSE PRESENT

The Utah BOARD OF WATER RESOURCES met in regular session on Friday, June 8, 2001 in the Auditorium of the Department of Natural Resources Building, 1594 West North Temple, Salt Lake City, Utah. Chair Lucille Taylor presided over the 10:00 a.m. meeting.

BOARD MEMBERS PRESENT:

Lucille Taylor
Warren Peterson
Cleal Bradford
Harold Shirley
Bill Marcovecchio
Paul Riley
Brad Hancock
Ivan Flint

STAFF MEMBERS PRESENT:

D. Larry Anderson, Director
Dennis Strong, Deputy Director
Lloyd Austin, Asst. Director
Nancy Fullmer, Administrative Secretary
Randy Staker, Accountant
Ron King, Public Affairs Officer
Robert King, Chief, Interstate Streams
Steve Wilde, Chief, Investigations
Tom Cox, Engineer
Mike Talbot, Engineer
Gina Hirst, Engineer
Lee Sporleder, Engineer
Russ Hadley, Engineer
Boyd Phillips, Engineer
Nathan Kennard, Engineer
B. J. Clark, Engineer
Geralee Murdock, Executive Secretary

OTHERS PRESENT:

Tye Burgess, Vice-president, Wells Fargo Public Finance
Bruce C. Cuppett, CEO, Water Pro Inc.
Charles Jeffs, Management Technician, Rural Water Association of Utah
Shirl Clarke, Manager, Permanent Community Impact Board

OTHERS PRESENT CONT'D.

Vic Monroe, Vice-president, Scipio Irrigation Company
Royce Memmott, Secretary, Scipio Irrigation Company
Lee Woolsey, Soil Conservationist, USDA/NRCS

Marve Mitchell, President, Marion Water Works

Stephen Denison, Council member, Price City
Gary Sonntag, City Engineer, Price City
Pat Larsen, Finance Director, Price City
Sam White, Water Sewer Superintendent, Price City
Greg Poole, Engineer, Hansen, Allen and Luce

Phillip G. Pace, President, Torrey Irrigation Co.
Cathy Bagley, Secretary, Torrey Irrigation Co.

Tom Flowers, President, Draper Irrigation Co.
David Gardner, Development Manager, Draper Irrigation Co.
Dan Jensen, Attorney, Draper Irrigation Co.
John D. Jacob, REDLE

MINUTES
BOARD OF WATER RESOURCES MEETING
June 8, 2001

Chair Lucille Taylor welcomed everyone to the meeting.

APPROVAL OF MINUTES

Warren Peterson made the motion to approve the minutes of the April 20, 2001 Board meeting with suggested changes. Cleal Bradford seconded the motion and the Board agreed unanimously.

CHAIRMAN'S REPORT

Chair Taylor asked Warren Peterson to help with the report. Mr. Peterson told of a conversation that occurred with a couple in his office. Chair Taylor introduced Charles Jeffs of the Rural Water Users Association. She also introduced two new board members – Ivan Flint who replaced Karlynn Hinman in the Weber Basin area and Brad Hancock who replaced Larry Ross in the Uinta Basin area.

FEASIBILITY REPORTS

#E049 Scipio Irrigation Company

Chair Taylor introduced Victor Monroe, Royce Memmott, and Lee Woolsey, NRCS. Tom Cox reported the company provides irrigation water to agricultural and residential land in and around Scipio. Around 5,000 acre-feet of water is typically stored in Scipio Lake each year even though the lake has a capacity of about 9,500 acre-feet. It is estimated over half of the water is lost to seepage and inefficient irrigation practices, therefore only 2,200 of the 5,000 arable acres are usually irrigated because of the shortage of water.

The company is requesting financial assistance to install a pressurized sprinkle irrigation system to serve about 1,200 agricultural acres surrounding Scipio. The system will include several diversions from the Highline Canal, approximately 14.5 miles of transmission and distribution piping with associated valves, fittings, and meters. The company is also requesting assistance to re-equip two of its irrigation wells. Technical assistance is being provided by the Natural Resources Conservation Service (NRCS) in Fillmore.

The estimated cost of the project is \$710,000. The company is also applying for grant funds from the federal EQIP program. If funding is received, the amount needed from the Board will be reduced by the cost of on-farm laterals paid for by the grant.

The company has received assistance from the Board on five previous occasions. Four of the projects have been purchased from the Board and the fifth will be paid off in 2003.

Mr. Monroe said the system would really benefit the valley. The sprinkling system should stretch the water out as there is storage capacity. Mr. Woolsey said the project would be low energy consumption except for the two wells. Warren Peterson expressed concern about increasing the acreage being irrigated. Mr. Memmott said the sprinklers would prolong the irrigation and not necessarily add more acres.

Warren Peterson made the motion to authorize the Scipio Irrigation Company project in the amount of \$570,000 (80%) to be purchased at 0% interest over approximately 14 years with annual payments of \$10,000 the first year, \$20,000 the second, and \$46,700 thereafter. Bill Marcovecchio seconded the motion and it was agreed upon by the Board.

#E053 Marion Waterworks Company

Chair Taylor introduced Marve Mitchell of the company. Lee Sporleder reported the company supplies untreated culinary water for indoor and outdoor use to 102 connections in Marion. The system is supplied by three developed springs and a well that feeds into a 100,000 gallon storage tank. The existing storage tank is too small to meet standards for indoor and outdoor use plus fire protection. Also, one portion of the existing pipeline distribution system is without fire protection, and has piping too small to adequately serve connections in the area.

The water system currently has a “Not Approved” rating from the Division of Drinking Water as there is the presence of coliform bacteria in the system; the contaminated spring has been shut off from the system and since then the samples have been acceptable.

The company is requesting technical and financial assistance to construct a 300,000 gallon concrete storage tank and tie it into the culinary system, add chlorination facilities, upsize the small pipe portion of the distribution system, and add fire hydrants. The company is requesting division staff provide design and construction engineering services. The project is estimated to cost \$400,000. The company received financial assistance from the Board in 1976; that project has been purchased from the Board. In 1992 the Board provided \$53,000 to drill and equip a well. The final payment for that project will be made in 2002.

Mr. Mitchell said their biggest concern is the payback. He said the company’s board members didn’t feel they could ask the residents to double their water rates, and therefore are requesting a \$15,000 a year pay back instead of staff’s recommended \$27,000. He said they felt the state of Utah was putting them on the spot because of the unapproved water listing as they cannot sell any shares to generate more revenue. One of the reasons they are on the unapproved list is because of inadequate storage for the amount of residents. He said with the proposed project the company will meet the obligations needed to get back on the approved water list.

Ivan Flint made a motion to authorize the project as recommended by staff or to table the project for a month. Chair Taylor said he couldn't make a motion to do one thing or the other; Mr. Flint would need to make a motion for either one.

After considerable discussion, Mr. Flint made a motion to table the Marion Waterworks Co. project until the August Board meeting. Paul Riley seconded the motion and the Board agreed.

#L540 Price City

Chair Taylor introduced Stephen Denison, council member; Gary Sonntag, city engineer; Pat Larsen, finance director; Sam White, water and sewer superintendent; and Greg Poole, project engineer. Gina Hirst reported Price City is requesting financial assistance to replace the 40-60 year old 12 and 16-inch transmission pipeline from the treatment plant to the distribution network in town, with a 20-inch high pressure pipeline. Hansen, Allen and Luce is providing technical assistance.

The estimated cost of the project is \$10 million. The Division of Drinking Water is providing a \$2.475 million loan and a grant of \$275,000. It is requested the Board of Water Resources participate in an interest rate buydown with the city in the amount of \$1.0 million. A market loan of \$4.75 million will need to be obtained. In August of this year the city will go to the Community Impact Board with a request for a \$500,000 grant.

Based on the Board's current water service affordability guideline, Price City residents could pay up to \$32.25 monthly for water. With the proposed project in place, the cost per connection per month will be \$32.53. The city currently charges \$14.99 for 10,000 gallons with overage charges of \$1.61 per thousand monthly. Commercial rates are \$17.14 for 10,000 gallons with escalated overage charges. The city plans to raise these water rates as needed to pay for the proposed project. Price City received funding from the Board in 1981; the loan has been repaid.

Mr. Sonntag said the transmission line is a very important segment of their water system and has operated well until now. It has progressively deteriorated because of the age of the line, and it is no longer strong enough to withstand the pressures needed. Mr. White, Price City's water supervisor, explained the city's operation and maintenance. Stephen Denison said the city's population hadn't changed much, and the growth rate is anticipated at less than 1%. He said the community is struggling, and they would like to see a greater participation in the project from the Board than the recommended 0% loan for 10% of the project. He proposed either a grant or a larger loan amount than the proposed \$1 million. Director Anderson said the Drinking Water Division has grant monies from the federal government, however, Water Resources does not have the ability to grant funds.

After considerable discussion, Cleal Bradford made the motion, seconded by Harold Shirley to table the Price City project until the August 10 Board meeting. The Board agreed unanimously.

COMMITTAL OF FUNDS

#E046 Green River Canal Company

Steve Wilde reported the company is requesting financial assistance to install a measuring flume in its canal. Cleal Bradford made the motion to commit funds in the amount of \$35,000 (100%) to be purchased at 0% interest with annual payments of \$3,200 over approximately 11 years. Paul Riley seconded the motion, and it was agreed upon by the Board.

#L537 River Heights City

Gina Hirst reported the city is requesting financial assistance to improve its culinary water system by constructing a 920,000 gallon concrete storage tank, upsizing and replacing a transmission pipeline from the new tank to the distribution network, and upgrading parts of the distribution system. The project is estimated to cost \$1.049 million.

Paul Riley made the motion to commit funds to the River Heights City in the amount of \$839,000 (80%) to be repaid at 5% interest over 17 years with annual payments ranging from approximately \$77,600 to \$83,300. Bill Marcovecchio seconded the motion, and it was agreed upon by the Board.

SPECIAL ITEMS

#D958 Pintura Irrigation Company

Because the irrigation company is unable to reach an agreement with the Washington County Water Conservancy District and cannot afford to build the project itself, staff recommends the project be withdrawn.

#D988 Piute Reservoir and Irrigation Company

The company requested assistance to line approximately 15 miles of canal using a process known as bentonite mixing. Because the company did not receive CUP grant funds, and because interest in doing the project has waned, staff recommends the application be withdrawn.

Harold Shirley made the motion to withdraw the Pintura Irrigation Company and Piute Reservoir and Irrigation Company projects from further consideration by the Board. Paul Riley seconded the motion, and it was agreed upon by the Board.

#E054 Torrey Irrigation Company

Chair Taylor introduced Phillip Pace and Cathy Bagley. Russ Hadley reported the company's 36" steel irrigation pipe developed leaks creating an emergency as the company would be completely without water if the pipe failed. Because of this, the company went to work immediately to replace it along with a concrete headwall. The gate and lift assembly at the head of the canal are also broken and need to be replaced this fall when the water is taken out.

The company is requesting financial assistance to pay for the replacement of the 200 feet of 36-inch steel pipe and concrete headwall plus repairs made to the canal. The project is estimated to cost \$36,000. They are also requesting committal of funds. Engineering services are being provided by Don Naser.

Mr. Pace explained they had to repair the pipeline right away. Warren Peterson made the motion to authorize and commit funds to the Torrey Irrigation Company in the amount of \$30,000 (83%) to be purchased with annual payments of \$3,000 at 0% interest over approximately 10 years. Cleal Bradford seconded the motion and the Board agreed unanimously.

Draper Irrigation Company

Chair Taylor introduced Tom Flowers, president; David Gardner, Development Manager; Dan Jensen, attorney; and John D. Jacob. Boyd Phillips reported on December 10, 1999 the Board approved the exchange of water rights between Draper Irrigation Company and Mr. John Jacob for the mutual benefit of both parties. The exchange was subsequently made, but for a lesser amount than approved by the Board because the change application for Mr. Jacob's water was approved by the State Engineer for less than anticipated.

The parties are now requesting permission to make a second exchange in which the company would receive a right to 1,859.28 acre-feet from the Jordan River and Mr. Jacob would receive a right to 1,2439.52 acre-feet from Utah Lake. The exchange allows both parties to use water from sources closer to the places of use, and Draper will receive approximately 1 ½ times more water than it gives up, with an early priority date. The change applications for both water rights have been approved by the State Engineer.

Dan Jensen, attorney for the company, explained the water rights exchange. Bill Marcovecchio said he was originally involved on a protest with the first change application and would, therefore, abstain from voting on the proposal.

Warren Peterson made the motion to approve the water rights exchange between Draper Irrigation Company and John Jacob with the following conditions: 1) Draper's legal counsel provides the Board with a written opinion confirming ownership, clear title, good standing and transferability of the water rights to be assigned to the Board; 2) the Board's counsel must concur the transfer documents and water rights title are adequate and; 3) the exchange must be accomplished through a simultaneous closing so as to not interrupt the Board's secured position.

It must be with the involvement and approval of the Board's counsel. Paul Riley seconded the motion and the Board agreed with the exception of Bill Marcovecchio who abstained.

DIRECTOR'S REPORT

Director Anderson asked Asst. Director Lloyd Austin to introduce the two newest staff members. Lloyd Austin introduced Nathan Kennard and William (B.J.) Clark. Nathan and B.J. told the Board about themselves.

Director Anderson informed the Board that Bill Leeflang had been selected as the manager over the Design and Construction Section to replace Jim Palmer who resigned and took early retirement. Bill gave the Board a brief sketch of his experience.

Mr. Anderson said Kathleen Clarke had asked staff to prepare a Governor's Water Conservation Initiative. Jody Williams, an attorney and Chris Finlinson, a former legislator who now works for Central Utah Water Conservancy District were asked to assist in this draft initiative. It has been sent to the governor's office for review. Mr. Anderson explained the proposed initiative to the Board.

NEXT BOARD MEETING

Chair Taylor reminded the Board the next Board meeting will be in the Uinta Basin on August 10. On August 9 the Board will tour the area.

Meeting adjourned at 12:05 p.m.